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## HOUSE RESOLUTION

SUPPORTING THE PHASE OUT OF THE DEPOSIT BEVERAGE CONTAINER  
RECYCLING PROGRAM TO ESTABLISH AN EXPANDED STATEWIDE  
CURBSIDE RECYCLING PROGRAM.

1           WHEREAS, Act 176, Session Laws of Hawaii 2002, established  
2 the deposit beverage container recycling program ("Program"), to  
3 encourage recycling, reduce litter, and provide a nexus between  
4 manufacturing decisions and recycling program management; and  
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6           WHEREAS, the Program initially placed a five cent  
7 refundable deposit fee and one cent nonrefundable container fee  
8 on each deposit beverage container sold; and  
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10          WHEREAS, the Department of Health administers the Program  
11 and collects the deposit and container fees in the Program  
12 special fund; and  
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14          WHEREAS, moneys in the Program special fund are used to  
15 reimburse refund values to participating consumers and pay  
16 handling fees to redemption centers; and  
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18          WHEREAS, the Department of Health utilizes the Program  
19 special fund, in part, to finance its Program administrative and  
20 compliance duties and Program educational and promotional  
21 activities; and  
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23          WHEREAS, section 342G-107, Hawaii Revised Statutes,  
24 requires the Auditor to conduct a management and financial audit  
25 of the program for fiscal years 2004-2005 and 2005-2006, and for  
26 each fiscal year thereafter in an even-numbered year and to  
27 submit the audit report, including the amount of unredeemed  
28 refund value and recommendations, to the Legislature and  
29 Department of Health no later than twenty days prior to the  
30 convening of the next regular session; and  
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1           WHEREAS, the November 2005 Program audit found that the  
2 Department of Health failed to establish a proper accounting  
3 system and concluded that the Program can only succeed with  
4 greater administrative management by the Department of Health;  
5 and  
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7           WHEREAS, the November 2005 Program audit further concluded  
8 that the intended environmental benefits of the Program have  
9 been lost in the inefficient redemption process; and  
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11           WHEREAS, the November 2005 Program audit recommended that  
12 the Department of Health provide greater administrative  
13 oversight and implement financial controls; and  
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15           WHEREAS, the Auditor has not submitted audit reports since  
16 November 2005, and consequently, the Legislature has not  
17 received audits for fiscal years 2006-2007, 2008-2009, and 2010-  
18 2011; and  
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20           WHEREAS, there has been no subsequent management and  
21 financial audit to show the Department of Health has implemented  
22 the November 2005 Program audit recommendations; and  
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24           WHEREAS, the Department of Health's Program report to the  
25 2010 Legislature and its solid waste management report to the  
26 2011 Legislature collectively indicate that from October 2002  
27 through fiscal year 2010, the Department expended more money  
28 from the Program special fund than it collected;  
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30           WHEREAS, despite the Department of Health's efforts to  
31 improve the program and its management of the Program special  
32 fund, the Department increased the nonrefundable container fee  
33 from one cent to 1.5 cents on each deposit beverage container  
34 sold because, according to the Department, the Program is losing  
35 more money than it collects; and  
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37           WHEREAS, in light of the Auditor's November 2005 findings  
38 of an inadequate financial accounting system and lack of  
39 internal controls, and given the significant losses incurred by  
40 the Program, the Department of Health's reports to the  
41 Legislature fail to show the Program is feasible; and



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WHEREAS, the Department of Health's recent increase of the nonrefundable container fee from one cent to 1.5 cents on each deposit beverage container sold remains inadequate to cover the two to four cent handling fee on each deposit beverage container paid to redemption centers; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2013, that it supports a phase out of the Program; and

BE IT FURTHER RESOLVED that the Legislature supports a statewide expanded curbside recycling program to increase public participation and reduce litter; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Director of Health, and the Mayors of each county within the State.

OFFERED BY:

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MAR 13 2013

